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Chairman: Mr. Chowdhury ..... (Bangladesh)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 3.10 p.m.

Agenda item 116: Proposed programme budget for the biennium 1998-1999 (A/52/6/Rev.1 (Vols. I and II), A/52/7, A/52/16, A/52/278, A/52/303, A/52/379; A/C.5/52/53)

1. **The Secretary-General**, introducing his proposed programme budget for the biennium 1998-1999, said that he had been encouraged by the support he had received thus far from Member States. The world was looking to the United Nations to revitalize itself so that it could better serve the needs of the international community in the new millennium.

2. His presentation came at a time when the General Assembly, in informal meetings was deliberating the comprehensive and far-reaching measures for organizational reform that he had submitted to Member States on 16 July 1997, with the aim of revitalizing the Organization. The future of the United Nations hung in the balance. That was why he had urged Member States to move expeditiously to complete their consideration of the reform proposals during the current session, and why the Fifth Committee would soon be asked to give advice to the General Assembly on the financial implications of his proposed reforms.

3. The programme budget proposal currently being introduced was the first to fall within the medium-term plan for the period 1998-2001. The General Assembly had stipulated, among other things, that it should reflect a real level of resources well below that of the current biennium. It was well known that the previous budget had itself been the subject of a significant reduction mandated by the General Assembly.

4. The resources requested for the 1998-1999 biennium amounted to $2,583 million. While that figure represented a reduction in real terms of $124 million, it had nevertheless been possible to increase the resources earmarked for economic and social development. Compared with the previous biennium, such allocations had risen by about $56 million.

5. The staffing table of 8,839 posts represented a net reduction of 1,182 posts. That number reflected the abolition of 865 posts, the transfer of posts as a result of net budgeting, conversions from temporary assistance to established posts and the proposed creation of new posts.

6. The distribution of resources had been guided by the priority areas identified in the medium-term plan, and by the level of resources in the budget outline approved by the General Assembly. As the General Assembly had decided, the proposed budget did not include provision for special missions that had no legislative mandates in 1998-1999. In formulating his proposals, he had made efforts to reduce administrative costs, rationalize work programmes, reorganize structures and redistribute responsibilities and functions. Streamlining would continue, aided by automation and other technological innovations.

7. The programmatic and financial implications of the reform proposals were contained in document A/52/303; they were primarily of an organizational and managerial nature and did not affect mandated activities. Once the General Assembly was ready to make its decisions on reform, the Fifth Committee would have to provide advice and recommendations on the implications of those decisions for the programme budget.

8. Implementation of the proposed programme budget and the reform plan would not be possible unless the financial soundness of the Organization was restored. The United Nations had to have the resources it needed to fulfil its potential. That was a joint responsibility. He reiterated his commitment to ensuring that the Secretariat could respond to the challenges and concerns of all Member States. He was also committed to transforming the Organization into a dynamic and responsive instrument that upheld the highest standards of management, cost-effectiveness and accountability. Member States, for their part, had to deliver on their own obligation to provide continuous, predictable and assured political and financial support.

9. The Organization's future also depended on the quality and competence of its staff. The proposed human resources programme focused on improved procedures for recruitment and placement that would provide better support to managers in the administration of their staff resources. He had also proposed a 25-per-cent increase in resources for training. Training of staff at all levels was an essential investment in the capacity of the Organization to improve, change and adapt.

10. He wished to acknowledge with deep gratitude the dedication of United Nations staff around the world. Many had had to acquire new responsibilities and adapt to unfamiliar tasks, not as a logical step in career development but as a result of budget reductions and reorganization. Many worked under difficult conditions in areas of conflict and strife. Many had risked or given their lives. The commitment of staff to the ideals of the Organization had been unwavering and their adjustment to uncertainties and new challenges had been commendable.

11. As both the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Coordination had pointed out, the United Nations in

recent years had faced almost constant change. It had experienced recurrent financial difficulties since 1987. That fact had made the entire budget process — from preparation and approval all the way through to implementation — much more complex. The application of General Assembly resolution 41/213 and the Financial Regulations had come under severe pressure. The Advisory Committee, the Fifth Committee and the Secretariat alike had found it difficult to discharge their respective functions in an orderly fashion.

12. He trusted that by the time the programme budget for 1998-1999 had been approved and the General Assembly had decided on the reform proposals, the Organization would be able to leave behind its current state of flux. It was time for stability. It was time to focus on substance and on achieving goals. It was time for all Member States to fulfil their legal obligations to the Organization and to one another. With the support of Member States, the changes currently taking place within the Organization would succeed in creating an effective, coherent instrument on which Member States could depend, an Organization to which they could turn in time of crisis, and of which they could be proud. In that positive spirit, he commended the budget for the approval of Member States.

13. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's first report on the proposed programme budget for the biennium 1998-1999 (A/52/7), said that the late submission of the budget estimates had forced the Committee to reschedule its meetings and the submission of its first report.

14. In the first part of chapter I of its report, the Committee had commented on the budget process and procedure, efficiency reviews and related savings resulting from the implementation of efficiency measures and their effect on programmes and activities. Those comments and the related recommendations had been made in full knowledge of the reorganization and financial difficulties that had affected the Organization for more than 10 years. Change and reform, including the phenomenon of downsizing, was affecting many administrations in Member States and the United Nations could not simply remain aloof from such developments. The Secretary-General had reminded Member States that change and reform were processes rather than events. That being the case, the Advisory Committee believed that such a process must be managed. A prerequisite for the proper management of change and reform was trust between the Secretariat and Member States, each of which should play its proper executive and legislative role.

15. The Advisory Committee had indicated developments both within the Secretariat and in the legislative process which, if not addressed, would have an adverse effect on the climate necessary for the management of change and reform. A good example was the implementation of resolution 41/213 in the light of recent decisions whereby budgets had been reduced without reference to the level of programmes that could be delivered efficiently. Since no prior analysis had been conducted to ascertain whether the agreed budget level and full implementation of mandated programmes were compatible, there was no way of knowing whether the requirement to implement programmes fully could be honoured. That fact had inevitably led to suspicion and controversy.

16. The Advisory Committee had indicated that the efficiency of the legislative process depended on a number of factors, including the timely submission by the Secretariat of the information and analysis necessary for an orderly debate in legislative organs regarding the Secretary-General's proposals. The Advisory Committee recognized, however, that, for their part, legislative organs sometimes contributed to the problem through the imposition of unrealistic deadlines and the adoption of ambiguous decisions owing to the need to reach a compromise under time constraints. There was a danger that the balance between the role of the Secretariat and the various legislative organs of the United Nations as embodied in the Charter would not function as intended.

17. To ensure that the activities of the United Nations Secretariat engendered trust amongst all Member States, the commendable transparency practised by the Secretary-General should be applied throughout the Organization. The Advisory Committee had expressed the opinion that, regardless of whether a budget was expanding or contracting, the strict requirement of budget analysis and justification must be maintained in accordance with a sound and well understood methodology. A lowering of the standards permitting rigorous budget scrutiny and ensuring informed legislative oversight and decision-making must not be permitted. However, in recent reports, the Advisory Committee had commented extensively on the need for better analysis of the results of efficiency reviews and the need for a sound technical justification for the claim that savings from such reviews had substantially mitigated the impact of budget reductions on programme delivery.

18. If accepted, the comments and recommendations made by the Advisory Committee in the first part of its report should serve as a means whereby both the Secretariat and Member States could promote mutual trust so as to be better placed to manage reform and change. The Advisory

Committee did not prejudge proposals by the Secretary-General. It simply sought to ensure that the General Assembly was provided with the technical analysis necessary for it to reach an informed decision on the merits of the proposals. To that end, the Committee had recommended ground rules under which proposals such as result-based budgeting and the reduction of administrative expenditure could be fully developed by the Secretariat so as to enable Member States to conduct a thorough discussion of all the policy issues and the related technical implications of those measures. Once agreement had been reached, the Secretariat would have the necessary full mandate to implement the related proposals.

19. The comments and recommendations of the Advisory Committee on proposals such as net budgeting, result-based budgeting or on such concepts as "charge-back" should not be regarded as micromanagement. The Secretariat could indeed experiment with new management techniques within the framework of pilot projects. The Advisory Committee recognized that there were a number of management practices which might work well in private industry or in national institutions, but to introduce them to an international organization like the United Nations required careful preparation and dialogue with Member States to avoid misunderstandings and unnecessary criticism. For example, the comments of the Advisory Committee on the concept of "charge-back" with regard to conference services illustrated a potential for an increase in accounting costs and other administrative overheads. It was not sufficient to assert that the management of the Secretariat was within the prerogative of the Secretary-General. Whenever new management techniques involved a change in the relevant staff or financial regulations or a change in appropriation lines, it was incumbent upon the Secretariat to bring the matter to the attention of the General Assembly for consideration and action.

20. General comments on the proposed programme budget were to be found in the second part of chapter I. Chapter II contained extensive comments and recommendations. The initial proposals amounted to $2,583 million, showing a net reduction of $123.9 million as compared with the revised appropriation for 1996-1997 of $2,603.3 million. The estimates had been examined by the Advisory Committee before the submission of document A/52/303, which contained the financial implications of the Secretary-General's reform proposals and other changes not contained in the initial estimates. If the proposals in document A/52/303 were to be accepted by the General Assembly, including the proposal to create a dividend account of $12.7 million, the level of the estimate proposed by the Secretary-General for 1998-1999 would remain unchanged at $2,583 million. Since the Advisory Committee's first report covered only the initial estimates, and in view of the ongoing discussion in the plenary Assembly of the reform proposals contained in document A/51/950, the Advisory Committee had decided to submit its recommendations on A/52/303 together with its views on the overall level of resources for 1998-1999 at a later stage.

21. The net reduction of $123.9 million was a combination of additions and deletions from the 1996-1997 revised appropriations, but the most notable deletion related to the cost of special missions funded from the regular budget. In 1996-1997 such missions had cost $49.8 million and the extent to which additional funds would be needed in 1998-1999 would depend on action by the General Assembly or the Security Council. In order to avoid a repetition of the debate during the fifty-first session, it would be necessary to recall the procedure for handling such expenditure when the appropriation for 1998-1999 was considered.

22. The treatment of the effects of currency and inflation was another issue which had generated considerable interest. The General Assembly had requested a report to be submitted by the end of May 1997. However, that report had been submitted late, and the Advisory Committee would therefore submit its recommendations on that report before the end of the main part of the session. In the initial estimates, an amount of $103.7 million represented the net effect of inflation and currency at 1998-1999 rates. That amount would be reviewed at the end of the year in the light of the most recent rates of exchange.

23. The number of regular budget posts proposed for 1998-1999 would become clearer following consideration of document A/52/303 by the Advisory Committee and the Fifth Committee. The initial estimates examined by the Advisory Committee showed a net reduction of 895 posts. Of those, 317 had been transferred out of the regular budget staffing tables but the posts would continue to be funded from the regular budget. The so-called net budgeting treatment of these posts had injected an element of confusion into the actual number of continuing established posts funded from the regular budget. Moreover, the net-budgeting treatment of posts such as those for the Joint Inspection Unit (JIU) and the International Civil Service Commission (ICSC) had been introduced prior to the consideration of a number of policy issues as called for by the Advisory Committee. The implication of net budgeting did not appear to have received proper analysis, particularly with regard to JIU and ICSC, whose statutes required that their budgets should be included in the regular budget. Since the General Assembly would only appropriate an amount equivalent to the United

Nations share of the budgets of those entities, some mechanism would have to be found to enable the United Nations to continue its current practice of funding them.

24. In a number of cases, proposals to abolish posts were not accompanied by any explanation or analysis. The Advisory Committee believed that the organizational necessity for the abolition of each of those posts should have been clearly stated, in addition to their impact on the delivery of programmes and services. Since the posts in question had originally been requested and approved to carry out certain functions, it should have been indicated how needs and programmes had changed to warrant their abolition.

25. In a number of instances, the abolition of posts had been accompanied by a request for additional funds for general temporary assistance or for consultants and expert groups. It had been claimed that such a practice gave the Secretariat greater flexibility to implement the programme of work. Staff costs for conference services, particularly temporary assistance for meetings, had also been reduced as a result of new management practices that were alleged to have resulted in economies. The Committee believed that the effect of those management actions on the quality of programme delivery should be monitored carefully and corrective action taken whenever appropriate.

26. The Advisory Committee had commented extensively on the extent of involvement of specialized bodies in the planning and programming process. The Committee had been pleased to note a general trend towards greater involvement of many intergovernmental bodies in the review of the role of their subsidiary machinery, the related programme of work and the Secretariat structures under their supervision. The Committee trusted that such intergovernmental reviews would become much more extensive and involve all relevant specialized bodies. Such an approach should enable the Secretariat to present a programme of work that could be efficiently implemented with the resources available to the Organization. In presenting the programme budget proposals, the Secretariat had also been requested to indicate clearly the effect of such reviews on the proposed programme of work and the related cost.

27. The Advisory Committee had also drawn attention to the question of increasing demands for independent audits and management reviews of the United Nations system. The issue touched on the need for all Member States to respect the regulations and rules of the United Nations and the specialized agencies with respect to audit and other management reviews. There were procedures in place to provide Member States with the information they required and those procedures should be strictly adhered to. In addition, bearing in mind the requirements of the Financial Regulations of the United Nations organizations and agencies, the secretariats of the organizations and agencies concerned had no authority to conclude arrangements for audit by national authorities without prior approval of the competent legislative bodies.

28. Specific observations and recommendations of the Advisory Committee under the individual sections of the proposed programme budget were directed mainly at the management of change and what was needed to promote the full and efficient implementation of the various legislative mandates and directives. The programme budget process and procedure must be restored so as to promote full consideration and discussion of each of the Secretary-General's proposals in an orderly and unhurried manner in the light of relevant data and a sound technical analysis. The message of the Advisory Committee was that the Secretariat and all representatives of Member States in the Fifth Committee and other programme formulation bodies should respect all aspects of the budgetary process of the United Nations, and that any changes to that process should be made in accordance with agreed procedures.

29. **The Chairman** said that he intended to suspend the meeting briefly to enable the Secretary-General to leave the conference room.

The meeting was suspended at 3.42 p.m and resumed at 3.43 p.m.

30. **Mr. Chinvanno** (Vice-Chairman of the Committee for Programme and Coordination), introducing the report of the Committee for Programme and Coordination (CPC) on the work of its thirty-seventh session (A/52/16), said that because the report of the Secretary-General on the reform process in the United Nations had not been made available to Member States before the end of its thirty-seventh session, delegations had requested that CPC should resume its work in order to consider further the programme narrative of the sections of the proposed programme budget for the biennium 1998-1999 which would be affected by the reform measures. CPC had therefore held a resumed session to consider further the relevant sections of the proposed programme budget on the basis of the revised estimates that the Secretary-General had submitted to the General Assembly. The report of the Committee on the work of its resumed thirty-seventh session would be issued shortly as document A/52/16 (Part II). The Committee had also found it necessary to examine the programme performance report on the impact of approved savings measures on the implementation of mandated

programme activities contained in document A/C.5/51/53 in the context of the proposed programme budget for the biennium 1998-1999.

31. In its consideration of the proposed programme budget for the biennium 1998-1999, CPC had expressed its appreciation for the efforts made by the Secretary-General to present a programme budget that appeared to be consistent with the outline approved by the General Assembly in its resolution 51/220, and noted that the programme budget reflected the structure of the medium-term plan for the period 1998-2001, as approved by the General Assembly in its resolution 51/219, on the recommendation of CPC.

32. CPC had noted that the total amount of resources requested by the Secretary-General was significantly lower than the revised appropriations for 1996-1997. It had also noted the Secretary-General's assurances that such a reduction would in no way affect the full implementation of all mandated activities during the biennium 1998-1999.

33. In accordance with its terms of reference, CPC had considered 36 sections and subsections of the proposed programme budget for 1998-1999 and was able to recommend to the General Assembly the approval of those sections of the proposed programme budget listed in its report, with appropriate modifications in certain sections and recommendations.

34. CPC had not made recommendations to section 11B (International Trade Centre UNCTAD/WTO). It had noted with concern that, owing to the request of the World Trade Organization to revise the arrangements governing the programme budget of the International Trade Centre (ITC) since 1974, the programme of work of the Centre for the biennium 1998-1999 had been unavailable for review by the Committee. Nevertheless, it had taken note of the statement of the representative of ITC that a revised section 11B containing a complete description of the programme of work derived from the relevant subprogrammes of programme 9 (Trade and development), of the medium-term plan together with detailed information on resources, would be submitted to the General Assembly at its fifty-second session for review and approval.

35. In connection with section 21 (Regular programme of technical cooperation), CPC had recommended that the General Assembly should request the Secretary-General to implement fully the recommendation of the Advisory Committee on the proposed programme budget for the biennium 1996-1997, which required the strengthening of the monitoring, evaluation and control of resources used in the programme.

36. Regarding section 22 (Human rights), CPC had been unable to reach agreement on a recommendation to the General Assembly that it should approve the programme narrative of that section. Therefore it had recommended to the Assembly that, when it considered the proposed programme budget for the biennium 1998-1999, it should review the programme narrative of section 22 and pay due attention to the observations of delegations.

37. In connection with section 26 (Public information), CPC had taken note of the programme narrative of that section subject to further consideration. In connection with section 27 (Administrative services), CPC had noted with regret that the Secretariat was not in a position to provide it with budget subsections 27C (Human resources management), and 27E (Conference services). The narratives of only two sections, therefore, had not been approved owing to a lack of consensus, namely sections 22 and 26.

38. At its resumed thirty-seventh session CPC had considered the two remaining sections of the proposed programme budget for the biennium 1998-1999, namely subsections 27C and 27E, and had been able to recommend to the General Assembly the approval of the programme narratives of those two subsections.

39. CPC had also considered document A/52/303 containing the Secretary-General's report on the programmatic and financial consequences of the reform proposals described in document A/51/950. Its conclusions would be set out in the forthcoming report on its resumed thirty-seventh session.

40. CPC had also examined five reports of the Office of Internal Oversight Services on evaluation, the annual overview report of the Administrative Committee on Coordination for 1996, the reports on the revised System-wide Plan of Action for African Economic Recovery and Development and the implementation of the United Nations System-wide Special Initiative on Africa. It had reiterated its concern over the proliferation of initiatives on Africa and the need to avoid duplication, stressing that the issue of the level of financial resources required for implementation had not been addressed satisfactorily under either the System-wide Plan of Action or the Special Initiative. CPC had endorsed most of the recommendations of JIU contained in that body's report on coordination of policy and programming frameworks for more effective development cooperation.

41. The deliberations of the thirty-seventh session of the Committee for Programme and Coordination had shown the importance that Member States attached to the work of the Organization. CPC had tried to fulfil its role as a subsidiary

body of the Economic and Social Council and of the General Assembly. Though some Member States had questioned its usefulness, they should recognize that it had been the Committee for Programme and Coordination which had taken the initiative on such important questions as the new format of the budget and the medium-term plan and the introduction of a system of accountability and responsibility in the Organization.

General debate

42. **Mr. Yussuf** (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, said that it was regrettable that the Organization continued to find itself in a serious financial situation. The projected deficit in the regular budget of $272 million at the end of 1997 added one more year to a pattern of cash deficits. The Group of 77 and China found no legal basis for Members which had the capacity to pay to withhold payment of their assessed contributions, and reaffirmed the legal obligation of Member States to pay their assessed contributions in full, on time and without conditions in order to allow the Organization to finance mandated programmes and activities. Indeed, unless Member States discharged their financial obligations, the exercise which the Committee was embarking upon could be meaningless.

43. The Group of 77 and China also wished to reaffirm the role of the Fifth Committee in administrative and budgetary matters, and pointed out with concern the tendency of some bodies to involve themselves in such matters, thereby disregarding rule 153 of the rules of procedure of the General Assembly.

44. He recalled General Assembly resolution 41/213, outlining the principles governing the planning, programming and budgeting process, as well as the importance of follow-up to recommendations of the Committee for Programme and Coordination (CPC). The medium-term plan should continue to serve as the framework for the formulation of the programme budget. He also recalled the priority areas identified in the medium-term plan and emphasized the need for adequate resources for development activities.

45. It was a matter of priority for the Group of 77 and China to address the shortfalls reflected in the Secretary-General's report on the impact of approved savings measures on the implementation of mandated programmes and activities (A/C.5/51/53) during consideration of the proposed programme budget for the biennium 1998-1999. He recalled that the approved level of the budget outline was higher than that proposed by the Secretary-General. Thus, all mandated programmes and activities should be fully implemented, as the resources requested by the Secretary-General had been authorized by the General Assembly.

46. The Secretary-General, as the chief administrative officer, was responsible for ensuring that the resource requirements to enable the Secretariat to fully implement all mandated activities and programmes were submitted to the General Assembly for its consideration. Accordingly, the budget proposals should be submitted on a full-cost basis. Yet that was not the case for many sections in the proposed programme budget for 1998-1999. In that regard, he noted the Secretary-General's intention to phase out gratis personnel, and trusted that it would be done in full compliance with General Assembly resolution 51/243.

47. The Group of 77 and China underscored the need to examine in detail the proposed reduction in staff, especially at the lower level, to avoid any further negative impact on the implementation of mandated programmes and activities, and reiterated their concern at the use of the vacancy rate as a tool for achieving further reductions in the budget. He agreed with the Advisory Committee that the higher vacancy rate seriously hampered delivery. Although there was a proposal to reduce the staff of the Organization, the amount for consultants and expert groups in the proposals for 1998-1999 was higher than in the previous biennium. Recourse to consultants should be had only when the required expertise was not available in the Organization, and selection should be on as wide a geographical basis as possible.

48. For 1998-1999 the Secretary-General had proposed net budgeting for the International Civil Service Commission and the Joint Inspection Unit and their secretariats, as well as for the services provided by the United Nations at the Vienna International Centre. Pending the report requested by the Advisory Committee, and a specific decision by the General Assembly on the concept of net budgeting, the Group of 77 and China concurred with the Advisory Committee that the status quo should be maintained.

49. **Mr. Brevik** (Norway) said that the current session was one of the most important in recent years, offering an opportunity to facilitate major reform to foster a stronger and more efficient United Nations. The General Assembly should support the Secretary-General's programme for reform and renewal, and the Fifth Committee should consider the budgetary implications of the reform package for the upcoming biennium. Failure to do so would result in an Organization less able to promote sustainable development, peace and progress.

50. His delegation was concerned at the financial situation of the Organization. Any consensus on the proposed

programme budget would be of no avail if, after its adoption, Member States did not honour the principle of payment in full, on time and without conditions, and if they did not meet their obligation to pay arrears in full. There was no justification for some countries to unilaterally pay less than their legally binding share, or nothing at all. Those countries which paid in full, on time and without conditions could not expect their citizens to continue to finance free riders.

51. Budgeting was about prioritizing, particularly where there were resource constraints. The proposed programme budget largely met that challenge, while respecting the priorities established by the medium-term plan. His delegation supported the proposed allocation of more resources for development, in particular the focus on Africa.

52. The maintenance of international peace and security remained a core priority in the next biennium, and the Organization's ability to prevent and manage conflict must be strengthened. That implied the provision of sufficient staff resources. His delegation therefore noted with concern the indication that the total resources requested under section 3 (Peacekeeping operations and special missions) did not reflect full requirements. Headquarters peacekeeping requirements should be funded through the regular budget to the fullest extent possible. Further, no provision had been made for special missions that as yet had no legislative mandates. While the Secretary-General had made a proposal in the budget outline, it had not received approval. That decision should be reconsidered.

53. He welcomed the increased emphasis on human rights, a priority area that should be part of all the Organization's core activities. The overall proportion of the proposed programme budget devoted to human rights was not, however, commensurate with its importance.

54. He reaffirmed his support for the concept and practice of programme budgeting. The prior setting of budget ceilings ran counter to that practice. Budget cuts should not be an end in themselves; rather, efficiency gains should be used to strengthen priority activities.

55. While there was good reason to devote more resources to many of the activities in the core budget, the proposed programme of activities would ensure full implementation of the various legislative mandates approved by the General Assembly. The proposed reduction in posts, matched with redeployment and reform, would promote increased productivity and greater cost-effectiveness. He welcomed the new emphasis on staff development and management training.

56. He supported the proposal for 10 new posts, in particular those proposed for the office of the Special Adviser on Gender Issues. He also welcomed the proposed strengthening of the internal audit function in the Office of Internal Oversight Services. Humanitarian assistance should also be strengthened, and more posts in that area should be funded under the regular budget.

57. His delegation took note of the proposed vacancy rates. The Fifth Committee spent too much time debating the issue of vacancy rates, which were a management tool that the Secretary-General should be able to use at his discretion. They must be adjusted over time according to circumstances.

58. He agreed with the Advisory Committee that, to allow more in-depth examination of the impact of budget cuts on programmes, proposals under the various sections of the budget should include more specific information on outputs, which could then serve as a basis for future performance appraisals by the General Assembly.

59. **Mr. Sial** (Pakistan) said that his delegation endorsed the statement by the Group of 77 and China. He noted that some of the reports requested in connection with gratis personnel would not be available until March 1998, so that the Committee would not be able to consider the matter at the main part of the current session, as called for in General Assembly resolution 51/243. Gratis personnel was a priority issue, and it would be highly regrettable if action were not possible for want of the requisite documentation. So far no explanation had been given for the non-issuance of the reports in question.

60. The budget estimates included proposals for reductions in United Nations staff, an issue directly related to that of gratis personnel. There was, in fact, a proposal to reduce the staff by over 1,000 posts, while large numbers of gratis personnel were reflected in the budget document. It would therefore be extremely difficult to consider staff reductions without simultaneously considering gratis personnel. All the reports requested must be issued at the earliest opportunity so that the Committee could consider all human resources issues as a whole. Any deferment to a resumed session in March 1998 would be highly undesirable, particularly in view of the proposals to streamline the organization.

61. **Ms. Peña** (Mexico) asked for the Secretary-General's statement to be circulated in writing. She regretted that the Secretary-General had not remained in the conference room to hear the introduction of the report of CPC, which, as an external oversight body, had a function under General Assembly resolution 41/213. She supported the comments made concerning the documentation requested on gratis personnel.

62. **The Chairman** said that the Secretary-General's statement would be made available to delegations.

63. **Mr. Sulaiman** (Syrian Arab Republic) said that his delegation saw no justification for the lack of response to the request for the issuance of documentation on gratis personnel. The elimination of a number of posts and the use of gratis personnel could be discussed only in the context of the consideration of the proposed programme budget. The Committee needed the reports for that purpose.

64. **Mr. Yussuf** (United Republic of Tanzania) said that the comments of the representative of Pakistan on the issue of gratis personnel were pertinent. The Committee must consider the matter seriously so as to reach a solution.

65. **Ms. Buergo Rodríquez** (Cuba) reaffirmed the importance and mandate of CPC as a subsidiary organ in the programming and budgetary process. The Secretary-General should, in future, remain in the conference room for the submission of all the reports on the proposed programme budget. She supported the comments made regarding the documentation on gratis personnel. Every effort should be made to issue the reports so that the matter could be taken by the end of December.

66. **Mr. Nour** (Egypt) said that the issue of gratis personnel was linked to the proposals for major staff cuts, and it was important for all the reports requested by the General Assembly in its resolution 51/243 to be issued so that the Committee could consider the budget proposals. If there were specific reasons why the reports were not available, the Committee should be informed.

67. **Mr. Halbwachs** (Controller) said that the Secretary-General had intended no disrespect to the Fifth Committee or the Committee for Programme and Coordination; it was simply that he had had an appointment which could not be cancelled. The Secretariat was doing its best to issue the reports requested on gratis personnel, and hoped to have four of the reports, which had been requested only on the last day of the fifty-first session, issued by 20 November. He had earlier pointed out to the Committee that it might not be possible to issue all the reports during the main part of the session.

68. **Mr. Sial** (Pakistan) said that if two of the reports were issued in March 1998, as indicated in document A/C.5/52/L.1/Rev.1, the Committee would not be able to consider the matter as decided by the General Assembly. Senior officials had been present in the negotiations on the question, and no one had said that there would be a difficulty in issuing the documentation. The reports had a direct influence on the proposed programme budget, since all sections had references to gratis personnel, particularly the section covering the Department of Peacekeeping Operations, where there was a proposal for a reduction of 62 posts while keeping 132 gratis personnel.

69. **Ms. Peña** (Mexico) said that the General Assembly decision regarding the issuance of the reports must be respected. If the problem lay in a lack of resources, the Controller's office should request the resources required to issue them on time. Her delegation could not accept a failure to submit the reports to the Committee by the end of the year.

70. **Mr. Nour** (Egypt) said that, on principle, there must be full respect for General Assembly resolutions. If something prevented implementation, the Secretariat should provide a written explanation indicating all the reasons preventing the Secretariat from implementing the resolution in question in full. The issue was of great importance.

71. **Ms. Buergo Rodríguez** (Cuba) agreed that a written explanation should be provided.

72. **The Chairman** said that he would convey to the Secretariat the necessity of submitting the documentation requested by the General Assembly in its resolution 51/243 on time.

The meeting rose at 4.40 p.m.